

April 15, 2024

The Tamilnadu Industrial Investment Corporation Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed deposits	500.00	500.00	[ICRA]BBB+ (Stable); withdrawn
Total	500.00	500.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating assigned to the fixed deposits of The Tamilnadu Industrial Investment Corporation Limited (TIIC) at the request of the company and after being put on notice of withdrawal for six months in accordance with ICRA's policy on the withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The key rating drivers, liquidity position and rating sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	The rating factors in TIIC's strategic importance to the Government of Tamil Nadu (GoTN) and the expectation of timely financial support from the GoTN, if required
Consolidation/Standalone	Standalone

About the company

Established in 1949, TIIC (a GoTN undertaking; GoTN's stake as on March 31, 2023 – 72.1%) provides financial assistance in the form of long-term and working capital requirements to micro, small, medium and large enterprises. Most of the entity's sanctions and disbursements are towards the micro, small and medium enterprise (MSME) segment. TIIC also encourages lending to first-generation entrepreneurs in the above-mentioned segment. The entity extends financial support for setting up new units and for the expansion or modernisation of existing units, including enterprises, in the service sector. The GoTN implements several subsidy/incentive schemes for entities in the MSME segment through TIIC.

Key financial indicators (audited)

TIIC	FY2021	FY2022	FY2023*
Total income	160.9	216.6	309.3
Profit after tax	50.4	82.9	136.1
Total managed assets	1,549.5	2,222.8	2,728.3
Return on assets	3.5%	4.4%	5.5%
Gross gearing (times)	1.3	2.0	2.2
Gross NPA	1.8%	1.9%	1.1%
CRAR	43.7%	33.5%	31.5%

Source: TIIC, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022
				Apr 15, 2024	Sep 28, 2023*	Sep 30, 2022	Jun 20, 2022	Sep 28, 2021
1 Fixed deposits	Long term	500.00	500.00	[ICRA]BBB+ (Stable); withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	MA (Stable)
2 Long-term fund based – Term loan	Long term	-	-	-	-	[ICRA]BBB+ (Stable); reaffirmed and withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
3 Long-term fund based – Cash credit	Long term	-	-	-	-	[ICRA]BBB+ (Stable); reaffirmed and withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
4 Long-term unallocated	Long term	-	-	-	-	[ICRA]BBB+ (Stable); reaffirmed and withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
5 Bond programme	Long term	-	-	-	-	-	-	[ICRA]A-(CE) (Stable); reaffirmed and withdrawn

* Rating on fixed deposit was put on notice of withdrawal for six months

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fixed deposits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fixed deposits	-	-	-	500.00	[ICRA]BBB+ (Stable); withdrawn

Source: TIIC

Annexure II: List of entities considered for consolidated analysis – NA

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